VIETNAMESE AFFAIRS STAFF
OFFICE OF THE DIRECTOR OF CENTRAL INTELLIGENCE

DATE: 1 Sept 70

TO: The Director

FROM: GACarver, Jr.

SUBJECT:

REMARKS:

I commend the attached to your attention, probably because the unnamed author and I see the situation in very similar light. I am not sure who wrote this, possibly P.J. Honey. In any event, it's the best journalistic assessment of the current situation that I have yet encountered.

George A. Carver, Jr.
Special Assistant for Vietnamese Affairs

Attachment
"Vietnam Revisited," (The Economist)

CURRENT INFORMATION

VIETNAM REVISITED

The side that is winning in spite of itself

BY OUR SPECIAL CORRESPONDENT

On returning, the first impression is that things have got better. Even Tan Son Nhut, the world's most sprawling and chaotic airport, bears the incipient impress of western sophistication; the customs and immigration drill is marked by relative expedition, and the currency check is meticulous. In the criss-crossing side-streets off Le Loi, at least the refugees are no longer sleeping on the pavement, and the stench of urine has gone. The drainage system in the centre of Saigon has been turned upside down in the pursuit of ennobling sanitation. Any government which can afford to be so preoccupied with pollution, one feels, is acquiring a new status-symbol of sophistication.

As the days go by, the first image fades. The scratched surface soon casts up all the old fecklessness and schism, and the black market boys and the touts are more in evidence than the plumbers. When you discover on leaving Tan Son Nhut that the apparently efficient immigration officials have failed to stamp your passport on entry—and that a full day will be needed to regularise the formalities, because you cannot leave a country you have never officially entered—you realise that everything in Vietnam is relative. Not least the improvement.

Nevertheless, it exists; yet the process has been so imperceptible over the past two years that it has never made the headlines. As one eminent American correspondent put it, "I guess it's all happened so gradually that we've never seen a story in it."

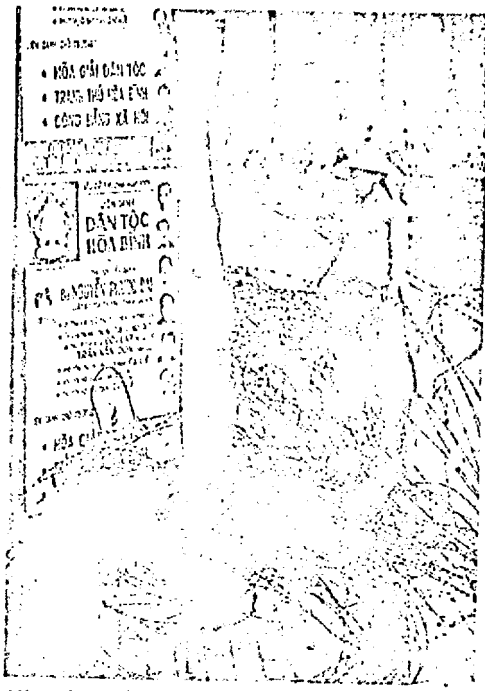
Not all commentators are so honest. Vietnam is still the selective reporter's paradise. If he wants to prove that the Saigon regime is beginning to stand on its own feet, the facts are there. If he wants to prove that the communists are winning and that the Saigon regime is still riddled with corruption—as some members of the American press corps patently do—those facts are equally at hand. And the latter usually make the better headlines.

What does the improvement really mean, in institutional and practical terms? The stock answer—which Saigon's apologists trot out—is that there is now a much greater sense of security than two years ago. Ordinary people travel around the countryside in a way that was unthinkable in 1968. A train service—albeit a Heath Robinson one—operates in most of the territory between Saigon and Huế. The farmers of the Mekong delta move their produce freely by road and by river, and are waxing fat in the process; most of them now have Hondas and television sets.

At the weekends thousands of Saigonese drive out to Vung Tau, about 60 miles away, rather as the Greek Cypriots now drive to Kyrenia, and with about as much chance of being attacked by the Vietcong as the Greeks have of being attacked by the Turks. Perhaps all this is transient and superficial—and the Vietcong still have their tax-collectors at too many places to be sure it is not—but it deserves to be recorded.

Second, for all its shortcomings, the Saigon government is beginning to look like a government. It may not be representative of the whole nation—but what government in Saigon ever will be? The sheer responsibility of office has given President Thieu and his entourage an air of authority that probably no government in Vietnam has possessed since the earlier days of the Diem regime. Today an order from the presidential palace has, say, a 60 per cent chance of being implemented. The odds were nothing like that two years ago.

Third, there is a slow but visible consolidation of the political structure. The common picture of South Vietnam as an authoritarian, oppressive police state is increasingly inaccurate. At times it seems like a country where democracy has run riot. The vernacular papers declaim every day about the alleged shortcomings of the Thieu government; opposition politicians lambast it in private and in public, and constantly demand to be consulted about the conduct of the nation's affairs. It is bizarre, and perhaps unproductive, but it is by no means totally undemocratic, even though some of the newspapers get repeatedly confiscated.



There's a choice if you can get to it

This weekend the focal-point is the senate election due to be held on Sunday. Thirty of the 60 seats in the upper house are being contested, the candidates being lined up in 17 "slates," or tickets, of ten apiece. The voter is asked to choose three of these 17 tickets.

Nobody sees this event as the apogee of the democratic process, and no matter who wins things will go on in Saigon much the same as before. The turnout will be low. But to some extent the polling on Sunday should test the popularity of the government and the strength of the opposition, given that in Saigon's political vocabulary the words "government" and "opposition" are very general terms. For example, the broadly based pro-government alliance which President Thieu tried to form last year, the National Social Democratic Front, comprising elements of six nationalist parties, has virtually petered out; indeed, it is not even putting up any joint slate for the senate seats. In the view of many observers it was never much more than a piece of window-dressing to placate American domestic opinion.

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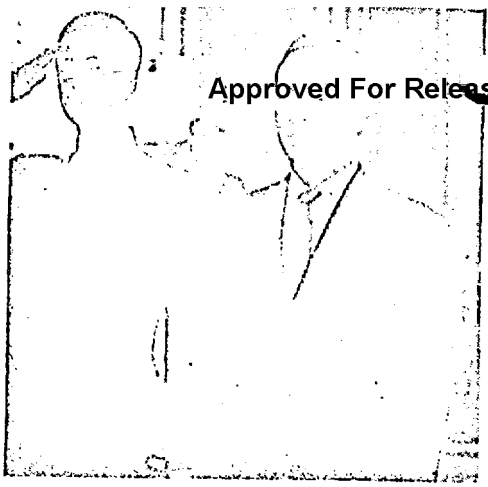


Who's that at Thieu's right hand?

But if the government's supporters seem congenitally disunited, the disarray in the opposition ranks is even greater. The Buddhists have long been divided into two rival groups; the more moderate pro-government group headed by Thich Tam Chau and the more militant An Quang faction led by Thich Tri Quang. In terms of political activism, the former counts for little. The An Quang group purports to count for a lot, and despite its professed unworldliness it has always had a flair for capturing the headlines. But the An Quang group is itself split into two or three factions, and compared with some of the younger Turks now around the An Quang pagoda Tri Quang himself is beginning to look like a moderate.

Whether this kaleidoscope can shake itself into any coherent voting pattern is extremely doubtful. But in brass tacks what matters mainly is the performance of the main An Quang ticket, Slate 11, headed by Professor Vu Van Mau, formerly foreign minister during the Diem period and Saigon's ambassador in London during the mid-1960s.

Pinning down Professor Mau, who with his Diemist links is an odd person to be leading the Buddhists, on what he would do if he were in power is about as rewarding an exercise as trying to pin down Mr Wilson on allegations that the Labour party is going to renege on the common market. There is much unexceptionable talk about the need for peace, national integrity, democracy and social justice, with the vague implication that if An Quang policies were accepted some satisfactory accommodation could be made with the communists. But no one will say how.

True, Mr Ly Qui Chung, a vociferous Buddhist critic of the government in the lower house, has recently spelled out a plan for a peace settlement. It envisages the complete neutralisation of Indochina, including North Vietnam, under some international [illegible] not want a coalition government in the south at the moment, but does not rule it out at a later date. Mr Chung's [illegible] ness and sincerity are not in doubt, and he is one of Saigon's more honest politicians; but his ideas of international politics border on the naive.

Whatever the result of Sunday's election, President Thieu is unlikely to spend sleepless nights over it. It might not be a bad thing if the An Quang faction did get into the top three, for it would bring the Buddhist activists back within the system. Instead of indulging in extravagant and often irresponsible criticism from the sidelines they would have, to some extent, to present rational counter-policies from the floor of the senate. If opposition candidates win 20 out of the 30 senatorial seats (that is, if two of the anti-government slates should be in the top three), President Thieu will be concerned, but will survive. If none of the opposition tickets is elected, there will certainly be allegations that the election has been rigged; in fact it looks like being reasonably fair by Asian standards.

Of the newer political groups, there is some interest in the performance of the Progressive Nationalist Movement which was launched in April of last year. Its secretary-general is Mr Nguyen Ngoc Huy, who has been a member of the South Vietnamese delegation at the Paris peace talks; the chairman is Dr Nguyen Van Bong, the head of the National Institute of Administration. The PNM comes closer to being a loyal opposition than most of the anti-government groups. It backs the Thieu administration's prosecution of the war and its stand in Paris, but it argues that Thieu and his ministers have failed on the domestic front: in not broadening the base of the regime (the perennial argument), in not tackling intelligently the students' complaints, in not formulating a realistic economic policy.

To some extent the PNM is viewed with a sympathetic eye by the Americans; it is the kind of party which might come into the government fold and thereby soften the wrath of Congressmen who argue that Thieu is doing nothing to broaden the base of his regime.

Mr Thieu himself now pays little attention to these criticisms. Perhaps he should. But after three years in office—during which he has often been badly underestimated—he feels that, like Harry Truman, the buck stops with him. The only thing to do is to go ahead and try to govern the country as best he can. With his eye on the presidential election, due in September next year, he is deliberately trying to build up grassroots [illegible] provinces.

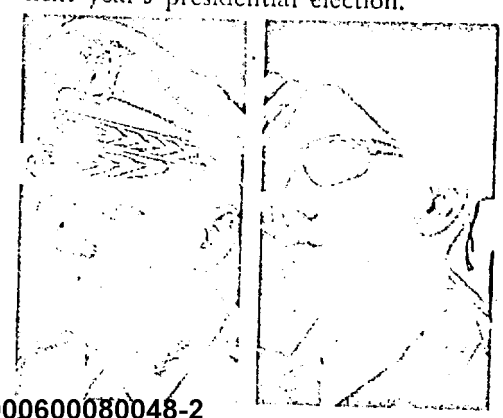
Much of his time is spent in travelling up and down the country. There are no crowds when he turns up in places like Hué or Dalat, but he gets in touch with the people whose support counts—such as the province and district chiefs—and tries to make the central government a meaningful institution to them. Most of the provincial officials are Thieu's men, and though their efficiency and integrity vary enormously they matter a lot.

More important, the president need no longer spend about half his time watching the activities of his own generals. The possibility of a military coup—once the favourite topic of conversation most evenings in Saigon's bars—is now hardly ever mentioned. No longer the free-wheeling warlords they were a few years ago, the commanders of the country's four military regions have just been reshuffled, and the new lineup will probably strengthen the president's hand.

In terms of challengers for next year's election, the likeliest candidates are, in addition to Thieu himself, General Minh ("Big Minh") and Vice-President Ky. (Senator Tran Van Don, the probable candidate of the *New York Times*, is ineligible because he was born in France.)

There is little doubt that Minh is much nearer to being a national father-figure than Thieu is, and he has recently been making noises which indicate presidential aspirations. But for all his supposed popularity—and some observers feel it is exaggerated—few people see in him the ingredients of a successful president. He is too much every man's man; too eager to please: not to put a fine point upon it, probably too weak.

President Thieu's relations with Mr Ky are a much more tangled subject. They are as strained as they always have been; after a brief raising of his morale and prestige in the Cambodia operation, the vice-president is like Achilles sulking in his tent. It is about even betting at the moment whether Ky will break away from the president to whom he has been deputy for so long and oppose him in next year's presidential election.



Generals Don and Tri: under control

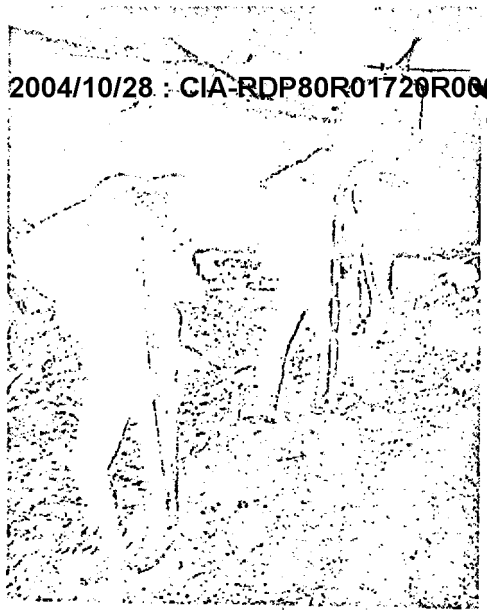
But if Saigon's rumour-mongers are no longer talking about possible coups they are talking plenty about the economy. It is in such an Alice-in-Wonderland state that one vaguely hopes that it belongs to the impossible-but-not-serious category. How can one rationalise an economy where a middle-rank civil servant gets about £60 a month and a poached egg on toast in a small restaurant costs about 35 shillings? Unless inflation is brought under control, Thieu could have serious urban unrest on his hands. The farmers in the Delta may be doing well, but the townspeople—with some notable exceptions—are not.

Two other grave consequences flow from the economic malaise. First, the soldiers' pay is almost meaningless in terms of real prices. One reason for the too-high desertion rate in the South Vietnamese army is that members of the soldier's family are too often living below the breadline and he goes back home to look after them. The methods he uses may not always stand up to scrutiny; but it will plainly be decades, perhaps centuries, before the nation replaces the family as the soldier's first unit of loyalty.

Second, the totally unreal wages structure increases the temptations of corruption. Like the soldiers, the civil servants have to keep their families. If they are not paid enough money to live on, they feel perfectly justified in making a bit of money on the side. It is deplorable, but given the present economic condition of the country it may be ineradicable.

Over the past few months Mr Thieu and his much criticised chiefs in the economic ministries have been trying to grapple with the problem; they have been egged on by the Americans, who have said fairly pointedly that unless the government puts its house in order it cannot expect to go on getting blank cheques from Washington. Some Americans have argued vehemently that South Vietnam should be made to stand on its own feet in economic as well as military terms. No doubt it will get another generous dollop of aid—in the form of food for the troops and housing for the soldiers' families, as well as in dollars; but unless President Thieu's drastic economic reform—under which he asks for special discretionary powers for five months to carry through an austerity programme—is enacted fairly soon there will be a lot of wrangling between Saigon and Washington, and a lot of unrest in South Vietnam.

Mr Thieu's retort would be that it is not he who is holding things up, but obstructionist senators who regard themselves as economic experts and who are trying to make political capital out of the situation. The question of devaluing



We're not in it for the money

the piastre—which most observers agree is necessary—has been blocked because a group of legislators argue that Thieu does not have the constitutional power to take this step without their approval.

If the economy is Thieu's foremost headache, it is not the only problem on the agenda. The plight of the ex-servicemen, most of them disabled, has become a burning issue in the past few months, and the government is criticised on many sides for being dilatory in tackling the problem. Like every other political organisation in Vietnam, the ex-servicemen are divided; but theirs is the kind of movement which is easily exploitable by opposition politicians, and conceivably by the Vietcong. The government's crash programme—the term is inevitably treated with some derision in Vietnam—of building 2,000 houses for ex-servicemen in the next six months may do something to ease the situation, but it will not solve it.

Similarly with the students. Again, there is the same criticism; the government has been insensitive to their genuine complaints—about the universities themselves—and has clamped down on them too oppressively. President Thieu himself does not take the students as a serious threat—a "handful of 20 or 30 agitators, that's all"—and he may be right. The students are certainly far from being a cohesive political force, for as usual they are divided into several factions. They think in slogans more than in terms of policies—and some of the slogans are curiously close to those of the communists ("Peace now and get the Americans out"). But in any underdeveloped country militant students have a social and intellectual influence out of proportion to their degree of political organisation, and if they are not handled [illegible] they [illegible]

regime a lot of trouble.

And, though at times one is tempted to forget it, there's a war on. It is perhaps an index of the relative improvement in the situation that people are now spending so much time politicking rather than fighting. In the southern part of the country, the war has to a considerable extent disappeared. It may flare up again, but for the moment the Saigon sky is no longer aglow with flares, and the eardrums are no longer bruised by the pounding of artillery and the lethal thud of the B-52s.

In the far north, the picture is different. The communists, now made up very largely of North Vietnamese troops, are concentrating their main effort in this area, which is the easiest to reach along the Ho Chi Minh trails. The South Vietnamese, and the Americans, expect a fairly sizeable communist offensive in the northernmost I Corps area either later this year or next year—probably next. But there is no sense of panic in Saigon over this; the general feeling is that the South Vietnamese army, even without the help of American combat troops, will be able to cope. Time will tell; there is at least an even chance that optimism will be justified.

Saigon is a capital with 14 political parties (not to mention various other factions), 50 newspapers, and 34,000 students; it is also the nerve-centre of a war which has cost the South Vietnamese a terrible price in lives. It may not yet have what a west European would call a democratic society, but at least it has a relatively open one. And at the moment it does seem to be slowly winning.

That is not to prejudge who will win in the end. But if the communists eventually take over, it will be largely (but not wholly) because of three interrelated factors: the irresolute state of American public opinion, the selective reporting of an influential section of the world's news media, and the susceptibility to communist appeals of some of Saigon's politicians. For the moment, the people of South Vietnam are basking in their "Saigon summer," but with a tinge of foreboding that it might turn out to be like the Prague spring. They are both fortified and handicapped by their capacity to live for eternity and for today, but never tomorrow; perhaps this is the only way the Vietnam war could be sustained. In the screeching of the Hondas, the whisperings of the politicians and astrologers, the nightly cackle of the bar-girls of Tu Do, dethroned with the passing of their American patrons, and not least in the silence of the B-52s, the world, if it chooses, can pick up the poignant [illegible] steamy Saigon.